

Message Text

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PAGE 01 HONG K 04919 190834Z
ACTION EA-12

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-10 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 /092 W
-----075154 190836Z /11

P R 190808Z APR 78
FM AMCONSUL HONG KONG
TO SECSTATE WASHDC PRIORITY 9971
INFO AMEMBASSY TAIPEI
AMEMBASSY TOKYO
AMEMBASSY SINGAPORE
AMEMBASSY PARIS
ICA WASHDC
CINCPAC

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EO 11652: N/A
TAGS: ETRD, EFIN, CH, US
SUBJECT: PRC WOULD NOT OBJECT TO EX-IM FINANCING OF U.S.
EXPORTS TO CHINA

1. THE ASIAN WALL STREET JOURNAL APRIL 19 REPORTED THAT SUN FANG, DEPUTY DIRECTOR OF THE CANTON TRADE FAIR, IN AN INTERVIEW WITH REPORTER FRANK CHING INDICATED THAT CHINA DOES NOT OBJECT TO EX-IM BANK FINANCING OF AMERICAN EXPORTS TO CHINA.

2. ACCORDING TO THE REPORT, SUN REPEATEDLY INDICATED THAT EX-IM BANK FINANCING IS A DOMESTIC U.S. ISSUE, BUT WOULD HELP TO PROMOTE TRADE. SUN NOTED THAT "IF THEY (THE U.S.) WANT TO TAKE THIS STEP, IF THEY WANT TO SUPPORT THEIR BUSINESSMEN, OF COURSE, THIS WILL HELP PROMOTE U.S./CHINA TRADE."

3. SUN ADDED THAT IT DID NOT MATTER WHETHER EX-IM BANK CONTINUED
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UES ITS RELATIONSHIP WITH TAIWAN, SINCE CHINA DOES NOT "INTERFERE IN THE ACTIVITIES OF BUSINESSES AND ORGANS OF A COUNTRY."

4. SUN STATED THAT USE OF EX-IM BANK FINANCING WOULD NOT INDICATE A CHANGE IN CHINA'S POLICY TOWARD FOREIGN CREDITS, SINCE CHINA WOULD NOT BORROW DIRECTLY FROM THE BANK. HE ADVISED THAT ARRANGEMENTS SIMILAR TO THOSE CHINA HAS WITH

THE JAPANESE EXPORT-IMPORT BANK WOULD BE ACCEPTABLE,
BECAUSE "IT DOES NOT EXTEND CREDIT TO (CHINA), IT EXTENDS
CREDIT TO JAPANESE ENTERPRISES" THAT SELL TO CHINA.
SHOESMITH

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NNN

Message Attributes

Automatic Decaptioning: X
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Concepts: EXPORTS, FINANCIAL AGREEMENTS
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Copy: SINGLE
Draft Date: 19 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 778f8bab-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
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TAGS: ETRD, EFIN, CH, US, XMB
To: STATE
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Review Markings:
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